

March 31, 2004

Senator Lou D'Allesandro, Chairman
Ways & Means Committee
State House, Room 103
Concord, New Hampshire 03301

Subject: HB 1411-FN-A Establishing a committee to study funding sources for the state laboratories and relative to laboratory fees and services

Dear Chairman D'Allesandro:

Thank you for the opportunity to provide testimony concerning HB 1411-FN-A, a bill that addresses several issues of concern to the environmental laboratory operated by the Department of Environmental Services (DES). As the Committee is aware, DES is one of several agencies, including the Departments of Health and Human Services, Safety, Agriculture, Transportation, and the Pari-Mutuel Commission that operate the specialized scientific laboratories that are sometimes collectively referred to as the State Laboratories.

DES supports Section 8 of the proposed amendment which establishes a committee to study the relationship between the state laboratories and private sector labs that offer similar testing services. We look forward to providing the study committee with information that demonstrates the benefits that a publicly operated laboratory offers to the citizens and communities of our state.

DES also supports Section 9 of the proposed amendment, at least in part. The fees charged by the DES lab for various water and materials testing services are established in RSA 131:3-a and they have not been adjusted to private sector market prices for several years. Recently, there have been legitimate complaints from private laboratories that the state operated laboratories are offering testing services at below-market prices. This amendment increases the fees charged by the DES lab so that they are comparable to private sector fees. The amounts proposed in Section 9 were based on a survey of current market prices. If enacted, the new pricing schedule will help level the playing field for the private laboratories. Section 9 also authorizes DES to make future adjustments, based on market conditions and trends, to keep the specified lab fees comparable to the private sector.

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As drafted, Section 9 repeals RSA 131:3-a, III, which provides that 50 percent of every DES lab fee shall be deposited into a special non-lapsing account to be used for the purchase of new laboratory equipment designed to improve service. DES opposes the repeal of the dedicated laboratory equipment account. The DES Laboratory Services Unit is relying on the approximately \$1,300,000 in the Lab Equipment Account for the planned renovation and refurbishing of the laboratory wing that is presently underway. This includes funding all costs associated with a specialized lab currently in the design phase. Without the Lab Equipment Account, DES will be unable to equip the renovated laboratory, or replace and maintain the instrumentation used for testing samples.

DES also opposes Sections 10 and 11, which relate to the repeal of the DES Lab Equipment Account.

I would be happy to provide additional information to the Committee. Thank you for considering our comments.

Sincerely,

Michael P. Nolin
Commissioner

cc: Committee Members